

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED
 Count 1: 18 U.S.C. 371 - Conspiracy
 Counts 2-3: 18 U.S.C. 1033(a) - Insurance Fraud False Statements
 Counts 4-5: 18 U.S.C. 1033(b) - Insurance Fraud Misappropriation
 Counts 6-7: 18 U.S.C. 1344 - Bank Fraud

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: See Attached.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

DEFENDANT - U.S.

SEALED BY ORDER
OF THE COURT

Jasbir S. Thandi

DISTRICT COURT NUMBER

CR 23 0428 JST

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

United States Postal Inspection Service

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE
SHOW
DOCKET NO.
☐ this prosecution relates to a pending case involving this same defendant
MAGISTRATE
CASE NO.
☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form Ismail J. Ramsey

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

David Ward & Abraham Fine

DEFENDANT**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)

FILED

NOV 16 2023 BAR

IS IN CUSTODY4) ☐ On this chargeCLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF
ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☐ NO PROCESS* ☒ WARRANT

Bail Amount: No Bail

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

Date/Time: Before Judge:

Comments:

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

United States v. Thandi et al.

PENALTY SHEET

JASBIR S. THANDI

COUNT 1: 18 U.S.C. 371 – Conspiracy to Commit Insurance Fraud

Maximum Penalties: 5 years imprisonment
3 years supervised release
\$250,000 fine
\$100 special assessment
Restitution
Forfeiture

COUNTS 2-5: 18 U.S.C. 1033(a) and (b) – Insurance Fraud

Maximum Penalties: 10 years imprisonment (or 15 years if the fraud jeopardized the safety and soundness of an insurer and was a significant cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate court).
3 years supervised release
\$250,000 fine
\$100 special assessment
Restitution
Forfeiture

COUNTS 6-7: 18 U.S.C. 1344 – Bank Fraud

Maximum Penalties: 30 years imprisonment
3 years supervised release
\$1,000,000 fine
\$100 special assessment
Restitution
Forfeiture

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PENALTY: See Attached.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

DEFENDANT - U.S.

SEALED BY ORDER
OF THE COURT

Sandeep Sahota

DISTRICT COURT NUMBER

CR 23 0428 JST

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FILED

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United States Postal Inspection Service

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☐ this is a reprosecution of
 charges previously dismissed
 which were dismissed on motion
 of:
SHOW
DOCKET NO.☐ U.S. ATTORNEY ☐ DEFENSE
☐ this prosecution relates to a
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Date/Time: Before Judge:

Comments:

United States v. Thandi et al.

PENALTY SHEET

SANDEEP SAHOTA

COUNT 1: 18 U.S.C. 371 – Conspiracy to Commit Insurance Fraud

Maximum Penalties: 5 years imprisonment

3 years supervised release

\$250,000 fine

\$100 special assessment

Restitution

Forfeiture

COUNTS 2-3: 18 U.S.C. 1033(a) – Insurance Fraud

Maximum Penalties: 10 years imprisonment (or 15 years if the fraud jeopardized the safety and soundness of an insurer and was a significant cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate court).

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AO 257 (Rev. 6/78)

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☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: See Attached.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

DEFENDANT - U.S.

Jaspreet Padda

DISTRICT COURT NUMBER

CR 23 0428 JST

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FILED

NOV 16 2023 BAA

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NORTHERN DISTRICT OF CALIFORNIA5) ☐ On another conviction☐ Federal ☐ State6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer ☐ Yes
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☐ this is a reprosecution of
 charges previously dismissed
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DOCKET NO.
☐ this prosecution relates to a
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Name and Office of Person

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Name of Assistant U.S.

Attorney (if assigned)

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Date/Time:

Before Judge:

Comments:

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United States v. Thandi et al.

PENALTY SHEET

JASPREET PADDA

COUNT 1: 18 U.S.C. 371 – Conspiracy to Commit Insurance Fraud

Maximum Penalties: 5 years imprisonment
3 years supervised release
\$250,000 fine
\$100 special assessment
Restitution
Forfeiture

COUNTS 2-3: 18 U.S.C. 1033(a) – Insurance Fraud

Maximum Penalties: 10 years imprisonment (or 15 years if the fraud jeopardized the safety and soundness of an insurer and was a significant cause of such insurer being placed in conservation, rehabilitation, or liquidation by an appropriate court).
3 years supervised release
\$250,000 fine
\$100 special assessment
Restitution
Forfeiture

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: OAKLAND

UNITED STATES OF AMERICA,

V.

JASBIR S. THANDI, SANDEEP SAHOTA,
and JASPREET PADDA,

FILED

NOV 16 2023 BAA

CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT(S).

JST

INDICTMENT

CR 23 0428

18 U.S.C. § 371 – Conspiracy to Commit Insurance Fraud;
18 U.S.C. § 1033(a) – Insurance Fraud – False Statements;
18 U.S.C. § 1033(b) – Insurance Fraud – Embezzlement;
18 U.S.C. § 1344(1), (2) – Bank Fraud;
18 U.S.C. § 2 – Aiding and Abetting;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Forfeiture Allegation

**SEALED BY ORDER
OF THE COURT**

+

A true bill.

/s/ Foreperson of the Grand Jury

Foreman

Filed in open court this 16th day of November 2023.

Clerk

Kandis Westmore
Magistrate Judge, Kandis A. Westmore

~~Bail, \$ NO PROCESS~~

No Bail Arrest Warrants

He

11/16/23
AF

ISMAIL J. RAMSEY (CABN 189820)
United States Attorney

FILED

NOV 16 2023 *BAR*

CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SEALED BY ORDER
OF THE COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

JST

UNITED STATES OF AMERICA,

Plaintiff,

v.

JASBIR S. THANDI, SANDEEP SAHOTA,
and JASPREET PADDA,

Defendants.

CASE NO.

CR 23 0428

VIOLATIONS:

18 U.S.C. § 371 – Conspiracy to Commit Insurance
Fraud;
18 U.S.C. § 1033(a) – Insurance Fraud – False
Statements;
18 U.S.C. § 1033(b) – Insurance Fraud –
Misappropriation;
18 U.S.C. § 1344(1), (2) – Bank Fraud;
18 U.S.C. § 2 – Aiding and Abetting;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
Forfeiture Allegation

OAKLAND VENUE

INDICTMENT

The Grand Jury charges:

Introductory Allegations

At all times relevant to this Indictment:

1. Global Hawk Risk Retention Group (“Global Hawk”) was a Vermont-domiciled insurance company and Risk Retention Group with its headquarters and business operations in Livermore, California. Global Hawk’s primary business was providing automobile liability insurance coverage for truck drivers and small trucking companies. Global Hawk’s activities affected interstate commerce.

INDICTMENT

1 2. Risk Retention Groups (“RRGs”) are a type of insurance company where members with
2 similar insurance needs pool their capital and share their insurance risks under the umbrella of an RRG.
3 Each insured is a member of the RRG and makes a capital contribution. RRGs are regulated by state
4 insurance regulators.

5 3. Defendant JASBIR S. THANDI was the president and treasurer of Global Hawk and
6 owned or controlled the majority of its shares. Defendant SANDEEP SAHOTA was a vice president
7 and secretary of Global Hawk. Both THANDI and SAHOTA served on Global Hawk’s board. At all
8 times relevant to this indictment, THANDI, as the president and treasurer, and SAHOTA, as the vice
9 president and secretary, managed and controlled Global Hawk.

10 4. As a risk-retention group domiciled in Vermont, Global Hawk was regulated by the
11 Vermont Department of Financial Regulation (“Vermont DFR”). The Vermont DFR, among other
12 duties, oversees and regulates insurance companies domiciled in Vermont. The Vermont DFR
13 accomplishes its goals by performing ongoing financial surveillance, periodic financial examinations,
14 and implementing and enforcing insurance laws and regulations.

15 5. An insurance company domiciled in Vermont is required by the Vermont DFR to hire a
16 Vermont-based company as a captive manager. Under Vermont DFR insurance regulations, Vermont-
17 domiciled insurance companies must have a captive manager who monitors the insurance company and
18 files periodic reports with the Vermont DFR.

19 6. To comply with regulations set by the Vermont DFR, Global Hawk was required to meet
20 certain capitalization requirements and to file quarterly and annual financial statements with the
21 Vermont DFR. These financial statements required Global Hawk to accurately list and total its assets
22 and liabilities. The purpose of these financial statements and capitalization requirements was to ensure
23 that Global Hawk had sufficient assets and cash-on-hand to fund potential insurance claims.

24 7. Management Company 1 was the captive manager for Global Hawk in Vermont from
25 2014 until May 2020. Management Company 1 was owned and operated by Witness 1. As Global
26 Hawk’s captive manager, Witness 1 helped compile Global Hawk’s annual filings relying on and based
27 on documents and statements provided by THANDI and SAHOTA. These financial statements were
28 submitted to the Vermont DFR.

1 8. Global Century Insurance Brokers Inc. (“GCIB”) was a licensed insurance broker in
2 California. GCIB sold, wrote, and issued insurance on behalf of Global Hawk in the State of California
3 as well as other states. GCIB received an approximately 17.5% commission on each insurance policy it
4 sourced on behalf of Global Hawk. GCIB focused on insuring truck drivers, many of whom worked and
5 resided in the Northern District of California. GCIB was headquartered in Livermore, California.
6 Defendant THANDI was the owner and president of GCIB.

7 9. Firm 1 was an SEC-registered investment advisory firm organized under the laws of the
8 state of New York, and at all times relevant to this Indictment, its principal place of business was in
9 Henrietta, New York. At all times relevant to this indictment, Defendant JASPREET PADDA was the
10 managing member and chief compliance officer of Firm 1.

11 10. On or about August 9, 2016, THANDI and Global Hawk hired Firm 1 and PADDA to act
12 as an investment advisor for Global Hawk. In that role, Global Hawk asserted to its captive manager,
13 Management Company 1, that Firm 1 was managing the investments of Global Hawk’s insurance funds
14 in Global Hawk’s Stifel accounts. Between 2016 and 2020, Firm 1 created and circulated regular
15 financial statements setting forth Global Hawk’s assets, including assets held in the name of Global
16 Hawk in brokerage accounts at Stifel, Nicolaus & Company (“Stifel”), managed by Firm 1.

17 11. Firm 1, through PADDA, also provided regular periodic financial statements on behalf of
18 Global Hawk to SAHOTA, knowing that SAHOTA would present them to Management Company 1, as
19 Global Hawk’s Vermont-based captive manager, setting forth Global Hawk’s assets and the location of
20 those assets. PADDA and SAHOTA caused those Firm 1 statements to be sent to Management
21 Company 1, knowing that Management Company 1 would use them to compile Global Hawk’s
22 regulatory filings to the Vermont DFR. Global Hawk was required under Vermont insurance laws and
23 regulations to provide these regular reports to Management Company 1 as evidence that Global Hawk
24 met the minimum capitalization requirements required for a Vermont-domiciled insurance company.

25 12. THANDI operated and controlled numerous bank accounts in the name of Global Hawk
26 and other entities that THANDI controlled. These included an account at Mechanics Bank (hereinafter
27 “Mechanics-8399”) in the name of Global Hawk. Global Hawk and THANDI used Mechanics-8399 for
28 deposits of insurance coverage payments from Global Hawk’s insured members.

13. THANDI also operated and controlled a bank account at Bridge Bank, a division of Western Alliance Bank (hereinafter “Bridge Bank-0831). Global Hawk and THANDI used Bridge Bank-0831 for deposits of insurance coverage payments from Global Hawk’s insured members.

14. On or about July 13, 2016, THANDI opened an account at Stifel, Nicolaus & Co., a St. Louis-based financial institution, in the name of Global Hawk (hereinafter “Stifel-0101”). The account opening documents were signed by THANDI as “President” of Global Hawk, and the note “sole officer” was added to the account opening document next to THANDI’s signature. The Stifel-0101 account was intended to be used by Global Hawk to invest insurance premiums from Global Hawk’s customers.

15. On or about August 7, 2017, THANDI opened another Stifel account (hereinafter “Stifel-2396”). THANDI is listed as the President of Global Hawk on the account opening documents. THANDI is also listed as the only authorized signatory on the account. The Stifel-2396 account was intended to be used by Global Hawk to invest insurance premiums from customers.

The Conspiracy to Commit Insurance Fraud

16. At a date unknown, but beginning no later than May 2018, defendants THANDI, SAHOTA, and PADDA, agreed to and did cause to be submitted false Global Hawk financial statements to the Vermont DFR through its captive manager, Management Company 1. The purpose of these false submissions was to cover up Global Hawk’s financial situation and to allow Global Hawk to continue to operate as a Vermont-domiciled insurance company. These financial statements significantly and materially overstated Global Hawk’s assets and concealed the fact that Global Hawk was insolvent.

17. In May 2020, after Vermont regulators discovered the misappropriation and Global Hawk’s insolvency, Global Hawk was declared insolvent and was liquidated pursuant to a Court order of a Vermont state court. Overstating the value of the assets of Global Hawk, and the later discovery by the Vermont regulators and others, jeopardized the safety and soundness of Global Hawk as an insurer, and these false statements were a significant cause of Global Hawk being liquidated.

THANDI Obtains Stifel Loans Via Misrepresentations and Without Board Authorization

18. On or about August 17, 2016, Thandi applied for and was approved for a \$6,400,000 Stifel Pledged Asset (“SPA”) loan on behalf of Global Hawk and other entities owned by THANDI from Stifel Bank & Trust. This loan was a line of credit at Stifel Bank & Trust from which THANDI could

draw funds on behalf of Global Hawk. In the application for the line of credit, THANDI falsely asserted that Global Hawk's Board of Directors had authorized the use of Global Hawk's assets held in Stifel-0101 as collateral and had authorized THANDI to apply for and accept the loan on behalf of Global Hawk. In fact, Global Hawk's board had never given such authorization. On December 21, 2016, the line of credit was increased to \$14,000,000. Between August 31, 2016, and February 2, 2017, THANDI withdrew \$13,875,000 from the first Stifel SPA account, transferring the loan funds to a GCIB bank account at Bank of the West.

19. On or about March 7, 2017, THANDI was approved for a second Stifel Pledged Asset ("SPA") loan from Stifel Bank & Trust, for \$14,750,000, with Global Hawk's assets in Stifel-0101 again pledged as collateral. As with the application for the first line of credit, in the application for the second Stifel Bank & Trust line of credit, THANDI falsely asserted that Global Hawk's Board of Directors had authorized the use of Global Hawk's assets held in Stifel-0101 as collateral and had authorized THANDI to apply for and accept the loan. In fact, Global Hawk's board had never given such authorization.

20. On or about March 9, 2017, THANDI withdrew \$13,943,035.63 from the second Stifel SPA loan and used the funds to pay off the first Stifel SPA loan.

THANDI Misappropriates Global Hawk Funds

21. Beginning no later than August 2017, THANDI began misappropriating insurance funds from Global Hawk's accounts at Mechanics Bank, Bridge Bank, and Stifel, transferring funds into outside accounts unrelated to Global Hawk and GCIB's insurance business. Some of these funds were derived, directly or indirectly, from the funds withdrawn from the first Stifel SPA loan. Specifically:

- a. On or about August 15, 2017, THANDI transferred or caused to be transferred \$4.5 million from Global Hawk's Mechanics Bank-8399, via a cashier's check signed by THANDI, made out to a separate company controlled by THANDI.
- b. Between April 20, 2018 and April 25, 2018, THANDI transferred or caused to be transferred \$3.1 million out of Global Hawk's Bridge Bank-0831, in three wire transfers, to an account in the name of an entity formed in Livermore, CA, and registered as a business on or about April 5, 2016, with the California Secretary of

State, which lists THANDI as the president, and listed the business purpose as real estate investment.

c. On or about January 31, 2019, THANDI transferred \$10,719,614 from Global Hawk's Stifel-0101 to pay down the Stifel SPA loan.

d. On or about February 6, 2019, THANDI transferred or caused to be transferred \$1,189,542.21 from Global Hawk's Stifel-0101, to a Bridge Bank account ending in 4464, held accounts of an entity domiciled in the British Virgin Islands.

THANDI, SAHOTA, and PADDA Cause Submission of False Filings to Vermont DFR

22. To conceal Global Hawk's dire financial situation, which was caused at least in part by THANDI's misappropriation of Global Hawk funds, THANDI, SAHOTA, and PADDA then began creating false documents that resulted in false filings to the Vermont DFR. Specifically, on or about February 25, 2019, THANDI and SAHOTA caused to be submitted to the Vermont DFR Global Hawk's 2018 Annual Statement, which falsely stated that Global Hawk had \$44,920,066 in customer assets held in Stifel-0101 and Stifel-2396. This amount matched the December 2018 Firm 1 statement sent by PADDA to SAHOTA setting forth Global Hawk's assets. In fact, the true total balance for Stifel-2396 on December 31, 2018, was \$88,663.78. The true total balance for Stifel-0101 on December 31, 2018, was \$12,031,444.37.

23. THANDI and SAHOTA signed the 2018 Annual Statement before a California notary on February 25, 2019, asserting that the annual statement was true and correct. SAHOTA then mailed that signed document from his location in the Northern District of California to Witness 1, who resided in Vermont.

24. On or about February 20, 2020, THANDI and SAHOTA caused to be submitted to the Vermont DFR Global Hawk's 2019 annual statement, which stated that on December 31, 2019, Global Hawk had \$17,856,178 in Global Hawk customer assets in cash in financial accounts at Stifel. In fact, THANDI had closed Global Hawk's Stifel accounts in early 2019 and by December 2019, Global Hawk's Stifel-0101 and Stifel-2396 had zero balance and were inactive.

25. On or about February 20, 2020, THANDI and SAHOTA signed the 2019 Annual Statement before a California notary, asserting that the annual statement was true and correct.

1 SAHOTA then mailed that signed document from his location in the Northern District of California to
2 Witness 1, who resided in Vermont.

3 26. These false statements THANDI, SAHOTA, and PADDA caused to be submitted were
4 material to the Vermont DFR because the agency was required to ensure that insurance companies under
5 its purview were sufficiently capitalized to meet their contractual obligations to their insureds. The
6 Vermont DFR ensured that it met its regulatory requirements by obtaining what it expected and required
7 to be accurate and truthful information about the insurance company's finances, including its total
8 capitalization. By falsifying the amount of capital Global Hawk held, THANDI, SAHOTA, and
9 PADDA prevented the Vermont DFR from obtaining an accurate view of Global Hawk's financial
10 situation and from adequately protecting those insured by Global Hawk.

11 *THANDI and SAHOTA Cause Global Hawk to Write "Ghost" Insurance Policies*

12 27. Global Hawk's 2019 annual statement, signed by THANDI and SAHOTA, contained
13 additional false statements. In 2017 and 2018, the Vermont DFR became concerned that Global Hawk
14 was undercapitalized, which concern was set forth in letters and other communications to THANDI,
15 SAHOTA, and Global Hawk. To address these concerns, the Vermont DFR demanded and Global
16 Hawk explicitly agreed that it would not write more than \$15.5 million in new insurance policies for
17 calendar year 2019. Global Hawk's 2019 annual statement affirmed that Global Hawk did, in fact, write
18 only \$15.5 million in new insurance policies in 2019.

19 28. This representation was false. In fact, Global Hawk wrote more than \$15.5 million in
20 new insurance policies in 2019. Global Hawk concealed that fact by issuing policies with insureds that
21 were not reported to the Vermont DFR. These policies were referred to as "ghost" policies, because
22 they were off-the-books policies that were never reported to the Vermont DFR. These false statements
23 were material to the Vermont DFR because the agency was required to ensure that insurance companies
24 under its purview did not bind itself with insurance obligations it could not meet.

25 29. On May 6, 2020, Witness 1 resigned from Global Hawk's board after discovering that
26 Global Hawk had no assets at Stifel. Shortly thereafter, Global Hawk collapsed, affecting hundreds of
27 victims who lost insurance funds as a result. The Vermont DFR seized Global Hawk upon becoming
28 aware that its assets had been overstated and it was insolvent. In June of 2020, a Vermont state court

1 issued an order for Global Hawk to be liquidated.

2 COUNT ONE: (18 U.S.C. § 371 – Conspiracy to Commit Insurance Fraud - False Statements to
3 Regulators)

4 30. Paragraphs 1 through 29 of this Indictment are re-alleged and incorporated as if fully set
5 forth here.

6 31. Beginning no later than May 2018, and continuing through on or about May 31, 2020, in
7 the Northern District of California and elsewhere the defendants,

8 JASBIR S. THANDI, SANDEEP SAHOTA, and JASPREET PADDA,
9 did knowingly and willfully conspire with each other and others unknown to the Grand Jury to commit
10 offenses against the United States, namely while engaged in the business of insurance whose activities
11 affect interstate commerce, knowingly, with the intent to deceive, made any false material statement or
12 report or willfully and materially overvalued any land, property or security, in connection with any
13 financial reports or documents presented to any insurance regulatory official or agency or an agent or
14 examiner appointed by such official or agency to examine the affairs of such person, for the purpose of
15 influencing the actions of such official or agency or such an appointed agent or examiner, in violation of
16 Title 18, United States Code Section 1033(a).

17 32. To further the conspiracy and effect the objects thereof, the following overt acts, among
18 others, were performed by the named conspirators in the Northern District of California and elsewhere:

- 19 a. On or about May 15, 2018, SAHOTA caused to be submitted to the Vermont DFR the fact
20 of a Mechanics Bank deposit showing a false \$2,500,000 deposit into a Global Hawk bank
21 account, which SAHOTA portrayed as a capital contribution to Global Hawk.
- 22 b. On or about February 4, 2019, THANDI and SAHOTA caused to be submitted a wire
23 transfer of \$10,719,615 from Stifel-0101 to pay down the Stifel SPA loan account.
- 24 c. On or about February 6, 2019, THANDI caused to be submitted a wire transfer of
25 \$1,189,542.21 from Global Hawk's Stifel-0101, to a Bridge Bank account ending in 4464
26 held in the name of a THANDI-controlled entity domiciled in the British Virgin Islands.
- 27 d. On or about February 22, 2019, PADDA emailed SAHOTA Firm 1 account statements that
28 falsely overstated Global Hawk's assets.

- e. On or about February 25, 2019, SAHOTA emailed Witness 1 Firm 1 account statements that falsely overstated Global Hawk's assets.
- f. On or about February 25, 2019, THANDI and SAHOTA signed Global Hawk's 2018 annual filing falsely stating that Global Hawk held \$44,920,066 in insurance customer assets in cash in accounts at Stifel.
- g. On or about February 28, 2019, SAHOTA emailed THANDI and a Stifel representative asking that Global Hawk's Stifel accounts be closed.
- h. On or about February 20, 2020, PADDA emailed SAHOTA Firm 1 account statements that falsely overstated Global Hawk's assets.
- i. On or about February 20, 2020, SAHOTA emailed Witness 1 Firm 1 account statements that falsely overstated Global Hawk's assets.
- j. On or about February 20, 2020, THANDI and SAHOTA signed Global Hawk's 2019 annual filing falsely stating that Global Hawk held \$17,856,128 in insurance customer assets in cash in accounts at Stifel and falsely reporting that Global Hawk did not write more than \$15.5 million in new insurance policies in 2019.

All in violation of 18 U.S.C. § 371.

COUNT TWO: (18 U.S.C. §§ 1033(a) & 2 – Insurance Fraud – False Statements to Regulators and Aiding and Abetting)

33. Paragraphs 1 through 32 of this Indictment are re-alleged and incorporated as if fully set forth here.

34. Beginning on or about February 21, 2019, and continuing through on or about February 25, 2019, in the Northern District of California and elsewhere the defendants,

JASBIR S. THANDI, SANDEEP SAHOTA, and JASPREET PADDA, being engaged in the business of insurance and whose activities affect interstate commerce did knowingly, with the intent to deceive, make a false material statement or report in connection with any financial reports or documents presented to any insurance regulatory official or agency or an agent or examiner appointed by such official or agency to examine the affairs of such person for the purpose of

1 influencing the actions of such official or agency or such an appointed agent or examiner, and aided and
 2 abetted such activity; specifically by submitting Global Hawk's 2018 annual financial statement to the
 3 Vermont DFR falsely reporting that Global Hawk held \$44,920,066 in insurance customer assets in
 4 accounts at Stifel.

5 All in violation of Title 18, United States Code, Sections 1033(a) and 2.

6 COUNT THREE: (18 U.S.C. §§ 1033(a), 2 –Insurance Fraud – False Statements to Regulators and
 7 Aiding and Abetting)

8 35. Paragraphs 1 through 34 of this Indictment are re-alleged and incorporated as if fully set
 9 forth here.

10 36. Beginning on or about February 12, 2020, and continuing through on or about February
 11 20, 2020, in the Northern District of California and elsewhere the defendants,

12 JASBIR S. THANDI, SANDEEP SAHOTA, and JASPREET PADDA.

13 being engaged in the business of insurance and whose activities affect interstate commerce did
 14 knowingly, with the intent to deceive, make a false material statement or report in connection with any
 15 financial reports or documents presented to any insurance regulatory official or agency or an agent or
 16 examiner appointed by such official or agency to examine the affairs of such person for the purpose of
 17 influencing the actions of such official or agency or such an appointed agent or examiner, and aided and
 18 abetted such activity; specifically by submitting Global Hawk's 2019 annual financial statement to the
 19 Vermont DFR falsely reporting that Global Hawk held \$17,856,128 in insurance customer assets in cash
 20 in accounts at Stifel and falsely reporting that Global Hawk did not write more than \$15.5 million in
 21 new insurance policies in 2019.

22 All in violation of Title 18, United States Code, Sections 1033(a) and 2.

23 COUNT FOUR: (18 U.S.C. §§ 1033(b), 2 – Insurance Fraud – Misappropriation of Assets and
 24 Aiding and Abetting)

25 37. The factual allegations of Paragraphs 1 through 36 are re-alleged and incorporated as if
 26 fully set forth here.

27 38. On or about February 6, 2019, in the Northern District of California and elsewhere the
 28

1 defendant,

2 JASBIR S. THANDI,

3 while acting as, or being an officer, director, agent, or employee of any person engaged in the business
 4 of insurance whose activities affect interstate commerce did willfully embezzle, misappropriate, or
 5 purloin the moneys, funds, premiums, credits, or other property of such entity engaged in the business of
 6 insurance, and aided and abetted such activity; specifically, THANDI misappropriated Global Hawk
 7 insurance customer assets through, among others, the following transaction: a wire transfer of
 8 \$1,189,542.21 from Global Hawk's Stifel-0101, to a Bridge Bank account ending in 4464 held in the
 9 name of a THANDI-controlled entity domiciled in the British Virgin Islands.

10 All in violation of Title 18, United States Code, Sections 1033(b) and 2.

11 COUNT FIVE: (18 U.S.C. § 1033(b), 2 –Insurance Fraud – Misappropriation of Assets and
 12 Aiding and Abetting)

13 39. The factual allegations of Paragraphs 1 through 38 are re-alleged and incorporated as if
 14 fully set forth here.

15 40. On or about February 4, 2019, in the Northern District of California and elsewhere the
 16 defendant,

17 JASBIR S. THANDI,

18 while acting as, or being an officer, director, agent, or employee of any person engaged in the business
 19 of insurance whose activities affect interstate commerce did willfully embezzle, misappropriate, or
 20 purloin the moneys, funds, premiums, credits, or other property of such entity engaged in the business of
 21 insurance, and aided and abetted such activity; specifically, THANDI misappropriated Global Hawk
 22 insurance customer assets through, among others, the following transaction: a wire transfer of
 23 \$10,719,615 from Stifel-0101 to pay off the Stifel SPA loan.

24 All in violation of Title 18, United States Code, Section 1033(b) and 2.

25 COUNTS SIX AND SEVEN: (18 U.S.C. § 1344(1), (2) – Bank Fraud)

26 41. The factual allegations of Paragraphs 1 through 40 of this Indictment are re-alleged and
 27 incorporated as if fully set forth here.

28 42. Beginning at a date unknown, but no later than on or about August 1, 2016, and

continuing through a date unknown, but no later than May 31, 2020, in the Northern District of California and elsewhere, the defendant

JASBIR S. THANDI

and others known and unknown to the Grand Jury, did knowingly, and with the intent to defraud, devise and execute, and attempt to execute, a material scheme and artifice to defraud a financial institution, and to obtain moneys, funds, credits, assets, and other property that were then under the custody and control of a financial institution, by means of materially false and fraudulent pretenses, representations, and promises; specifically, THANDI misrepresented to Stifel Bank & Trust, a depository institution insured by the Federal Depository Insurance Corporation, that Global Hawk's board had authorized him to enter into a loan with Stifel Bank & Trust and to pledge Global Hawk insurance assets as collateral.

Execution of the Scheme

43. On or about the date set forth in the counts below, in the Northern District of California and elsewhere, for the purpose of executing the scheme and artifice referred to above, and attempting to do so, defendant conducted or caused to be conducted the following financial transaction, among others:

COUNT	DATE	FINANCIAL TRANSACTION
SIX	08/17/2016	Stifel Bank & Trust approval of \$6,400,000 line of credit in the name of Global Hawk and another THANDI-controlled entity.
SEVEN	03/07/2017	Stifel Bank & Trust approval of \$14,750,000 line of credit in the name of Global Hawk and two other THANDI-controlled entities.

All in violation to Title 18, United States Code, Section 1344(1) and (2).

FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

44. The allegations contained in this Indictment are re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

45. Upon conviction for any of the offenses set forth in this Indictment, the defendants,
JASBIR S. THANDI, SANDEEP SAHOTA, and JASPREET PADDA,

1 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and
2 Title 28, United States Code, Section 2461(c), all property, real or personal, constituting, or derived
3 from proceeds the defendant obtained directly and indirectly, as the result of those violations. If any of
4 the property described above, as a result of any act or omission of the defendant:

- 5 a. cannot be located upon exercise of due diligence;
- 6 b. has been transferred or sold to, or deposited with, a third party;
- 7 c. has been placed beyond the jurisdiction of the court;
- 8 d. has been substantially diminished in value; or
- 9 e. has been commingled with other property which cannot be divided without
10 difficulty,

11 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21,
12 United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

13 All pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code,
14 Section 2461(c), and Federal Rule of Criminal Procedure 32.2.

15
16 DATED: November 16, 2023

A TRUE BILL.

17 /s/ Foreperson of the Grand Jury
18 FOREPERSON

19 ISMAIL J. RAMSEY
20 United States Attorney

21 /s/ David J. Ward
22 DAVID J. WARD
23 ABRAHAM FINE
24 Assistant United States Attorneys
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26
27
28